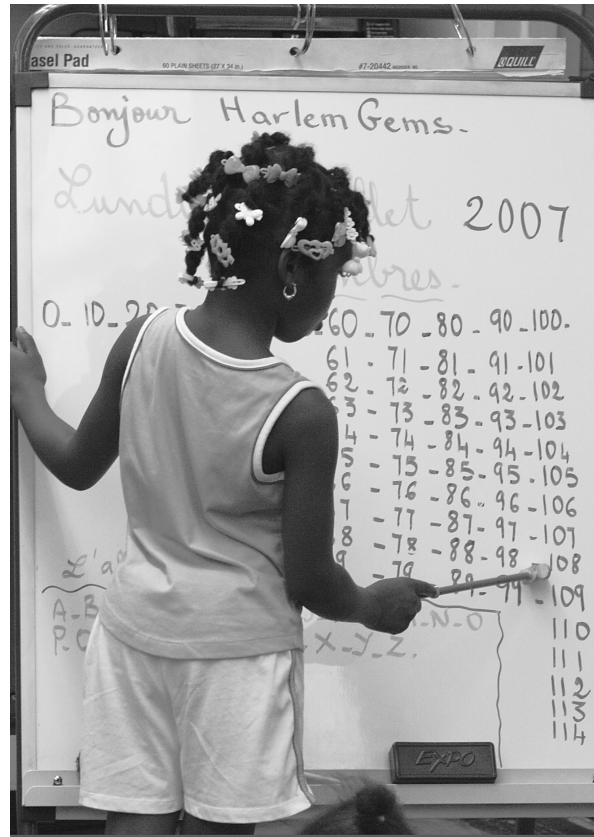


Young Harlem Investors



A Harlem Children's Zone
SEED/CFED Initiative

HCZ's Harlem Gems

- Founded in 1970, Harlem Children's Zone is a pioneering, non-profit, community-based organization that works to enhance the quality of life for children and families in some of New York City's most devastated neighborhoods.
- Harlem Gems is an extended day, extended year Universal Pre-Kindergarten program for 4 year old children run by the Harlem Children's Zone.

SEED Overview

- The **Saving for Education, Entrepreneurship, and Downpayment (SEED) Policy and Practice Initiative** is a multi-year national initiative to develop, test and impel matched savings accounts and financial education for children and youth. The initiative seeks to set the stage for universal, progressive American policy for asset building by bringing together national and community partners to design, administer, and document specific aspects of children's savings programs. (www.cfed.org)

Young Harlem Investors

- Goal is to help families learn to and begin to save for their children's college education accounts.
- 75 Participating Families
- Savings program enhanced by Matches, Benchmark Incentives and Bonus Matches
- Financial Literacy Workshops
- Carver Bank Savings Accounts

529 Accounts

Family Demographics at program launch

- Average household has 2 adults, 2 kids
- Average formal income: \$2,013 monthly
- Gov't Income: 18 Families receiving an average of \$533 monthly
- Marital Status: 85% Single; 15% married or separated
- Education Level:
 - 16% Less than High School
 - 28% GED/High School Diploma
 - 29% Some college
 - 12% 2 year college degree
 - 12% 4 year college degree
 - 3% Graduate School
- Employment
 - 54% Full time or more than full time (OT or 2nd job)
 - 15% Part time
 - 12% Unemployed
 - 1% Disabled
 - 11% School or Job Training
 - 8% Homemakers not seeking employment

Program Budget

- Staffing:
 - MIS-IDA manager – 25% of time
 - Coordinator – 100% of time
 - Accountant – 25% of time

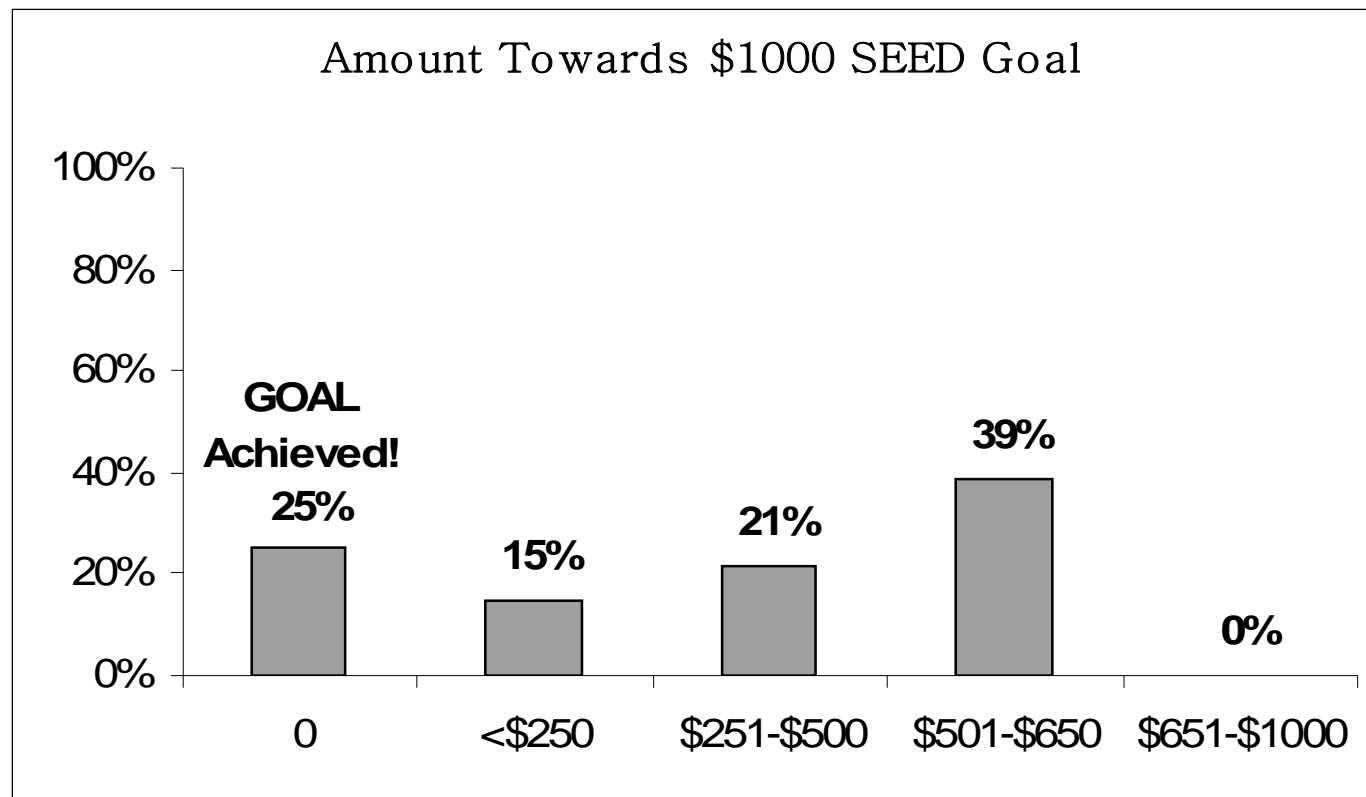
Savings, Matches and Incentives Structure

Family	CFED/ SEED	Incentives CFED	HCZ Board	Account Balance	Goal Achieved
\$250 (Year 1)	\$250 (Initial)			\$500	
\$250 (Year 2)	\$250			\$1000	
\$250 (Year 3)	\$250			\$1500	
\$250 (Year 4)	\$250			\$2000	Initial Goal Achieved
		\$750		\$2750	Bonus
\$500			\$500*	\$3750	Bonus
Ttl Savings: \$1500	Ttl. Match: \$1000	Ttl Earned: \$750	Ttl Match: \$500	Grand Ttl: \$3750	

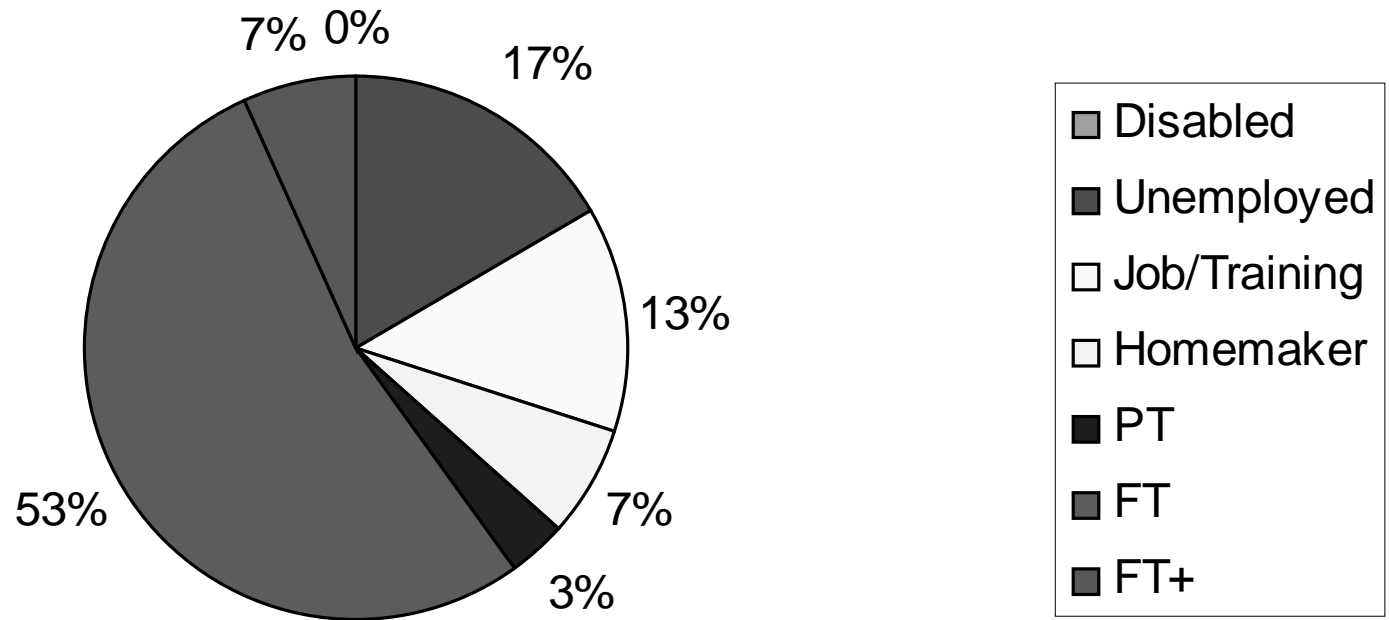
* Bonus received when Savings Account is transferred to 529 account

\$1000 Goal: Account Balances

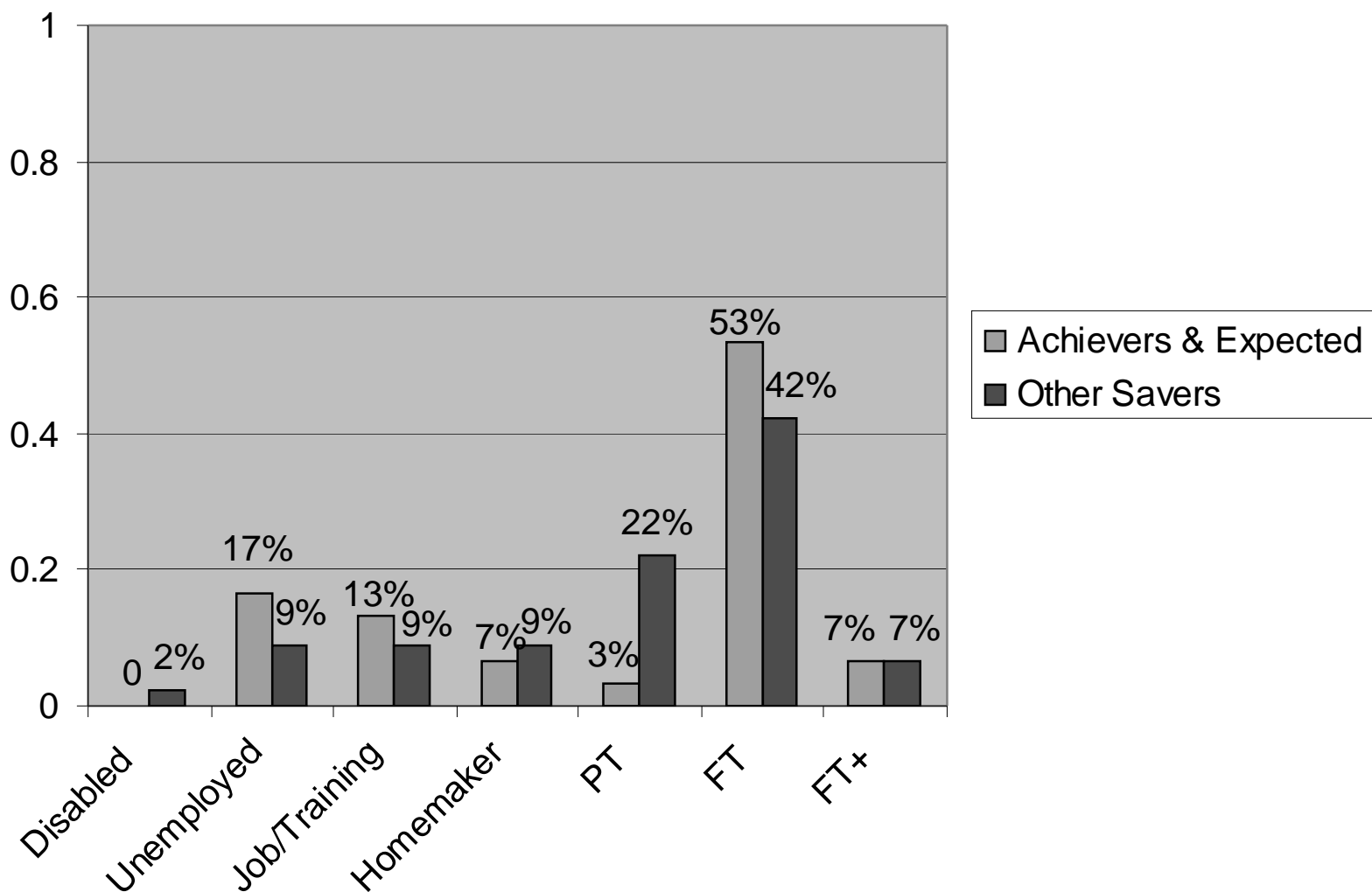
- Reached/Exceeded Goal: 25% (N=19)
- Expected to reach goal: 15%
- Mean Balance to Goal: \$436 (excludes achievers)



Employment Status of Goal Achievers & Expected Achievers



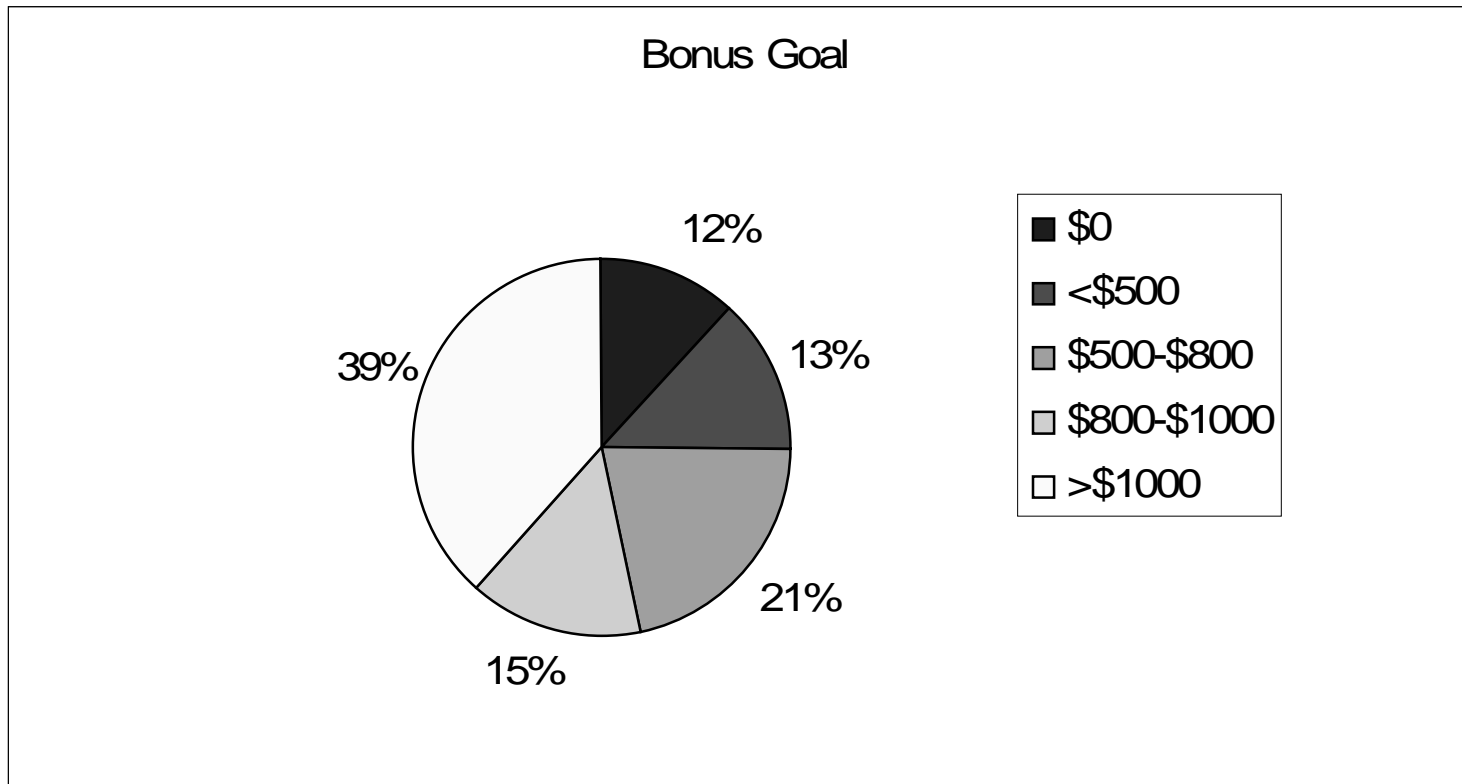
Employment and Savings



Harlem Children's
ZONE

Bonus Account Balances

- \$1500 Accounts (\$1000 SEED + \$500 HCZ Bonus)
 - Reached Goal: 12% (N=9)
 - Achievers Average Account Balance: \$1900
 - Mean Balance to reach goal: \$845 (excluding achievers)



Lessons Learned

- Financial Literacy workshops
- Regular meetings = savings reminders
- Benchmarks provide chance for non-working parents to “earn” deposits
- EITC, CTC and other Tax Returns
- Time outreach with bank statements – to praise, encourage, problem solve, etc.
- Promotes conversations about college at an early age

Challenges

- Families receiving assistance cannot save without jeopardizing their support.
- Without a steady paycheck, one can not create easy savings plans like automatic deductions.
- Some parents do not have an income
- Long-term savings horizon vs. short-term serious needs

Policy Recommendation #1

- Exempt Savings Programs from Assets Tests for Families Receiving Assistance

Policy Recommendation #2

- Build off existing relationships
 - Provide funding to non-profits, schools, religious institutions and other social organizations to create programs to support, encourage and educate families around saving.
 - Parents enjoy the social networking; some have formed “deposit groups” and go to the bank together.

Policy Recommendation #3

- Create a mix of matches and incentives that both children and adults can earn
- Examples for adults: Graduation from an HCZ early childhood program; attendance at financial literacy workshops; or child's annual check-up
- Examples for children: identify coins; counting to ten in other languages; financial literacy class attendance

Policy Recommendation #4

- Integrate Financial Literacy Opportunities
 - Reward Families time with Incentives
 - Teach Children Financial Literacy and Savings too



Alvarez for NEWS

Policy Recommendation #5

- Custodial Accounts

